



From the Desk of Carlos Perez
Chief Credit Officer for Single-Family

December 19, 2017

Executive Overview of *Selling Guide* Updates

In our December *Selling Guide* announcement, we made several changes that will make it more simple to work with us and bring a better experience to your customers. These updates:

- **Allow lenders to underwrite loans for borrowers with frozen credit.** Lenders can now underwrite loans, either manually or with Desktop Underwriter® (DU®), for borrowers who have frozen their credit at only one of the three national credit repositories, when certain criteria are met. This change has already been implemented in DU.
- **Provide guidance on premium pricing.** We've clarified our policy on premium pricing by adding a definition and providing more guidance on how it can be used.
- **Detail changes to Texas Section 50(a)(6) refinance loans.** Texas voters recently approved an amendment to Texas Section 50(a)(6) refinance loans. While these changes have minimal impact on the *Selling Guide*, this month's announcement provides more information about the new amendment.
- **Simplify the *Selling* and *Servicing Guides*.** We're continuing our efforts to streamline the *Selling* and *Servicing Guides*. We're aligning our selling and servicing policies to clarify the waiting periods for when an LLC is transferred to an individual borrower through a cash-out refinance transaction.
- **Allow rep and warrant relief eligibility after disaster-related forbearance.** We've updated our representations and warranties relief framework policy to provide that most loans with certain disaster-related forbearance retain payment history eligibility. For an overview of the full representations and warranties framework, view the [updated summary](#).
- **Clarify requirements for internal audit and management controls.** Starting in July 2018, we will require our Sellers and Servicers to meet specific standards for internal audit and management controls. This will ensure consistent quality of loan production and servicing among our lender partners.
- **Simplify the loan delivery functions.** To provide more transparency and real-time data on mortgage loans, we're expanding the Loan Delivery application to include Early Funding functionality. Making Early Funding available in Loan Delivery replaces the Funding Express application, making it simpler to do business with us by streamlining the technology.

See [Announcement SEL-2017-10](#) for more details.

As another year comes to a close, I want to send you my sincere gratitude for your ongoing support and commitment to loan quality. I look forward to working with you in 2018. Happy holidays!

Carlos Perez